

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK

DRILL ☒ DEEPEN ☐

1b. TYPE OF WELL

OIL WELL ☒ GAS WELL ☐ OTHER ☐ SINGLE ZONE ☒ MULTIPLE ZONE ☐

2. NAME OF OPERATOR

Shenandoah Energy Inc.

3. ADDRESS AND TELEPHONE NO. Phone: 435-781-4341
Fax: 435-781-4329

11002 East 17800 South
Vernal, Utah 84078

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)

At surface

1840' FEL, 1831' FSL, SESE
At proposed prod. Zone

4448649 N
640698 E

Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

2 miles South West of Redwash Utah

15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT.

1840' ±

(Also to nearest drip, Unit line if any)

16. NO. OF ACRES IN LEASE

1920

17. NO. OF ACRES ASSIGNED TO THIS WELL

40

18. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR ON THIS LEASE, FT.

1000' ±

19. PROPOSED DEPTH

5741'

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether BP, RT, GR, etc.)

5516.9'

22. APPROX. DATE WORK WILL START*

A.S.A.P

23. PROPOSED CASING AND CEMENTING PROGRAM

REFER TO S.O.P

Shenandoah Energy Inc. proposes to drill a well to 5741' to test the Green River. If productive, casing will be run and the well completed. If dry, the well will be plugged and abandoned as per BLM and State of Utah requirements.

Operations will be according to the Standard Operating Procedures for the Redwash Unit, the Wonsits Valley and surrounding areas Green River Wells.

See Onshore Order No. 1 attached.

Please be advised that Shenandoah Energy Inc. is considered to be the operator of the above mentioned well. Shenandoah Energy Inc. agrees to be responsible under the terms and conditions of the lease for the operations conducted upon the lease lands.

Bond coverage for this well is provided by Bond No. 0968. The principal is Shenandoah Energy Inc. via surety as consent as provided for in 43 CFR 3104.2.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout prevention program if any.

24

SIGNED

John Busch

John Busch

TITLE Red Wash Operations Representative

DATE 11/30/00

(This space for Federal or State office use)

PERMIT NO.

43-047-33789

APPROVAL DATE

Application approval does not warrant or certify that the applicant holds legal title to these rights in the subject lease which would entitle the applicant to conduct operations thereon.
CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY

Bradley G. Hill

BRADLEY G. HILL
RECLAMATION SPECIALIST III

DATE 12/13/00

*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

RECEIVED

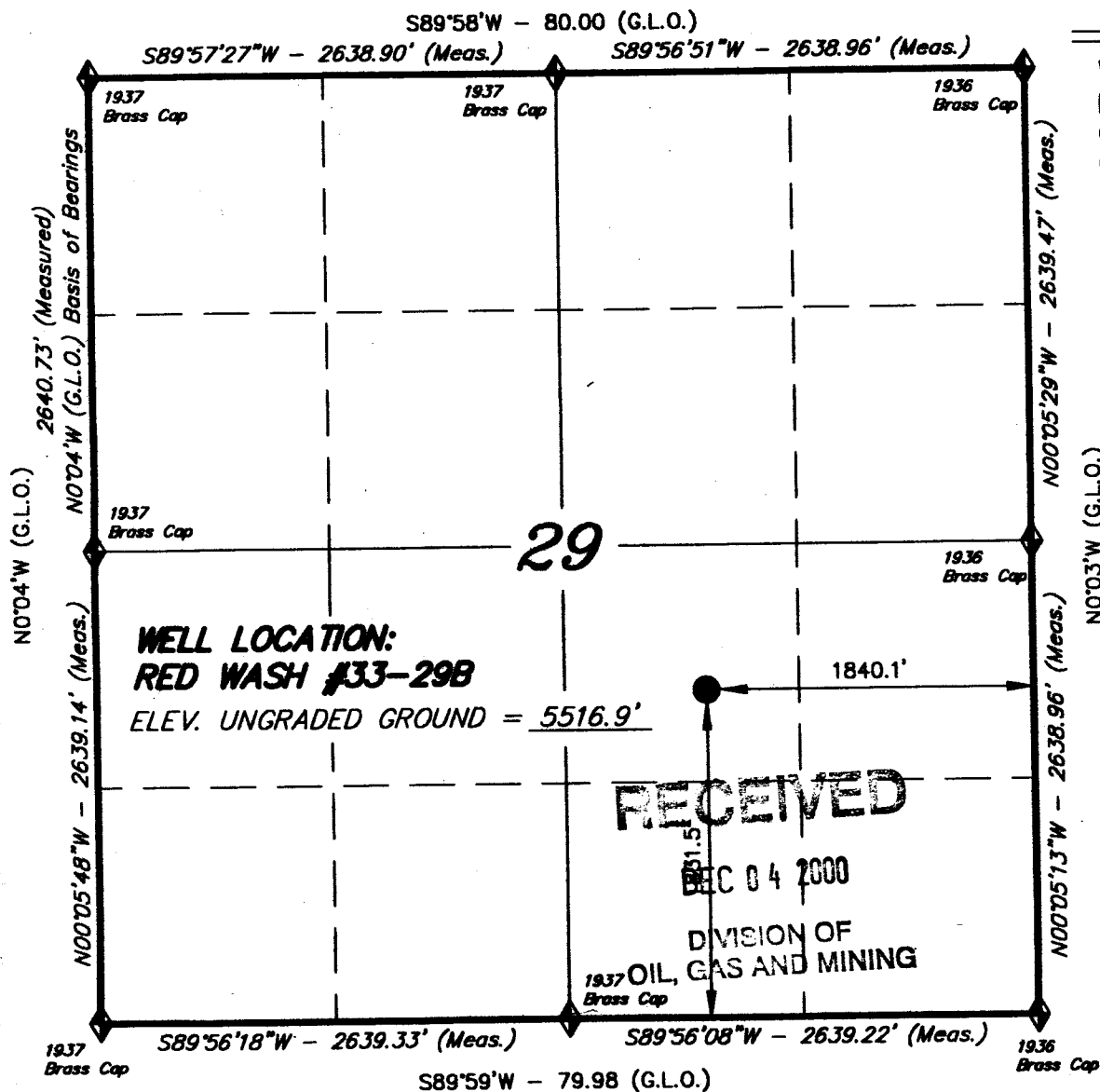
DEC 04 2000

DIVISION OF
OIL, GAS AND MINING

CONFIDENTIAL

T7S, R23E, S.L.B.&M.

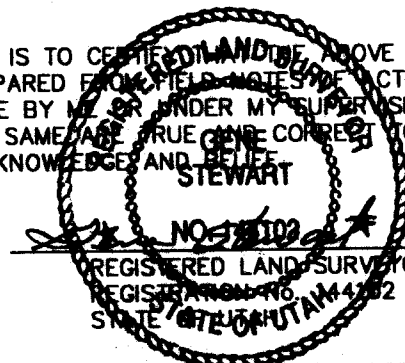
SHENANDOAH ENERGY, INC.



WELL LOCATION, RED WASH #33-29B,
LOCATED AS SHOWN IN THE NW 1/4 SE 1/4
OF SECTION 29, T7S, R23E, S.L.B.&M. UTAH
COUNTY, UTAH.



THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS
PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS
MADE BY ME OR UNDER MY SUPERVISION AND THAT
THE SAME ARE TRUE AND CORRECT TO THE BEST OF
MY KNOWLEDGE AND BELIEF



TRI STATE LAND SURVEYING & CONSULTING
38 WEST 100 NORTH - VERNAL, UTAH 84078
(435) 781-2501

SCALE: 1" = 1000'	SURVEYED BY: C.D.S.
DATE: 11-2-00	WEATHER: COOL
DRAWN BY: J.R.S.	FILE #

RED WASH #33-29B
LATITUDE = 40° 10' 42.15"
LONGITUDE = 109° 20' 53.25"

◆ = SECTION CORNERS LOCATED
BASIS OF ELEV; U.S.G.S. 7-1/2 min QUAD (RED WASH)-

DRILLING PROGRAM

ONSHORE OIL & GAS ORDER NO. 1
Approval of Operations on Onshore
Federal Oil and Gas Leases

All lease and/or unit operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR 3100), Onshore Oil and Gas No. 1, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished the field representative to insure compliance.

1. Formation Tops

The estimated tops of important geologic markers are as follows:

<u>Formation</u>	<u>Depth</u>	<u>Prod. Phase Anticipated</u>
Uinta	Surface	
Green River	2991'	
Mahogany Ledge	3821'	
Mesa	5566'	
TD (Green River)	5741'	Oil

2. Anticipated Depths of Oil Gas Water and Other Mineral Bearing Zones

The estimated depths at which the top and bottom of the anticipated water, oil, gas. Or other mineral bearing formations are expected to be encountered are as follows:

<u>Substance</u>	<u>Formation</u>	<u>Depth</u>
Oil/Gas	Green River	5741'

All fresh water and prospectively valuable minerals encountered during drilling, will be recorded by depth and adequately protected. All oil and gas shows will be tested to determine commercial potential.

All water shows and water-bearing sands will be reported to the BLM in Vernal, Utah. Copies of State of Utah form OGC-8-X are acceptable. If no flows are detected, samples will be submitted to the BLM along with any water analyses conducted.

3. Anticipated Bottom Hole Pressures

Maximum anticipated bottom hole pressure equals approximately 2296A.4 psi.

4. Surface Ownership

The well pad and access road are located on lands owned by the Federal Government

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DEC 04 2000

DIVISION OF
OIL, GAS AND MINING

Shenandoah Energy Inc.
RW #33-29B

MULTI-POINT SURFACE USE & OPERATIONS PLAN

SHENANDOAH ENERGY INC.
REDWASH #33-29B
SESE, SEC. 29, T7S, R23E, SLB&M
UINTAH COUNTY, UTAH

1. Plans for Reclamation of the Surface

As per the onsite on November 29 with Greg Darlington Vernal BLM, Byron Tolman Vernal BLM, Steve Madsen Vernal BLM, Bill Vernal BLM, Raleen Searle Shenandoah Energy Inc., John Busch Shenandoah Energy Inc. the following stipulations were determined:

The pit is required to have a pit liner. There will be a seed mix of 12lbs per acre consisting of:

4lbs – Fourwing Saltbush
2lbs – Black Sagebrush
3lbs – Indian Rice Grass
3lbs – Needle & Thread Grass

2. Other Information

Refer to the attached maps:

Topo map A- Access routes
Topo map B- Proposed Access road
Topo map C- Location of wells within a one mile radius
Topo map D- Proposed pipeline

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DEC 04 2000

DIVISION OF
OIL, GAS AND MINING

Lessee's or Operator's Representative:

John Busch
Red Wash Operations Rep.
Shenandoah Energy Inc.
11002 East 17500 South
Vernal, Utah 84078
(435) 781-4341

Certification:

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil & Gas Orders, the approved plan of operations, and any applicable Notice to Lessees.

Shenandoah Energy Inc. will be fully responsible for the actions of their subcontractors.

A complete copy of the approved Application for Permit to Drill will be furnished to the field representative(s) to ensure compliance and shall be on location during all construction and drilling operations.

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by Shenandoah Energy Inc. its' contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

John Busch

John Busch
Red Wash Operations Representative

NOVEMBER 30, 2000

Date

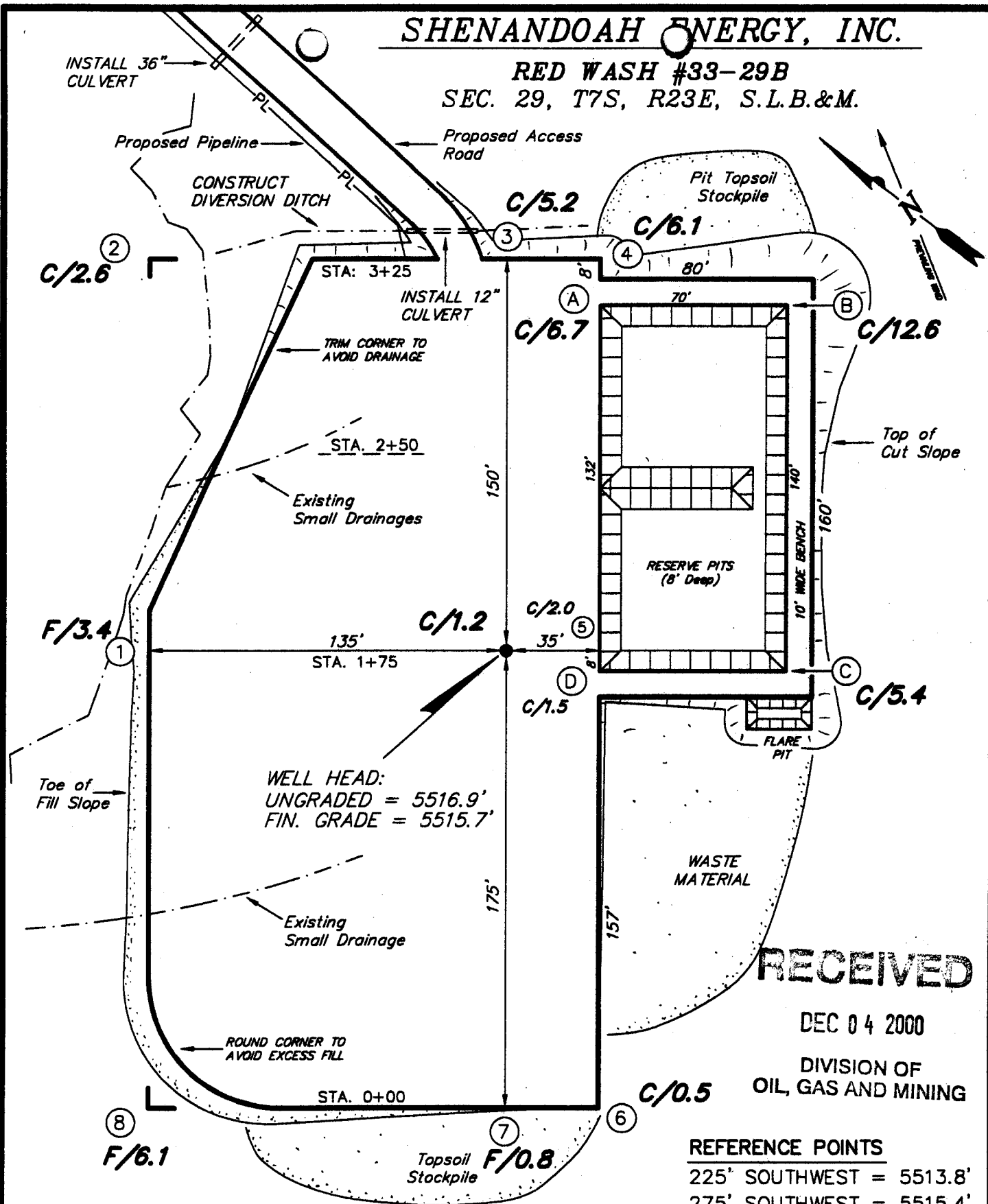
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DEC 04 2000

DIVISION OF
OIL, GAS AND MINING

SHENANDOAH ENERGY, INC.

RED WASH #33-29B
SEC. 29, T7S, R23E, S.L.B.&M.



REFERENCE POINTS

225' SOUTHWEST = 5513.8'
275' SOUTHWEST = 5515.4'
185' NORTHWEST = 5509.9'
235' NORTHWEST = 5517.3'

Revised: 11-30-00 J.R.S. (Add Culverts, Trim Corner)

SURVEYED BY: C.D.S.

SCALE: 1" = 50'

DRAWN BY: J.R.S.

DATE: 11-2-00

Tri State
Land Surveying, Inc.

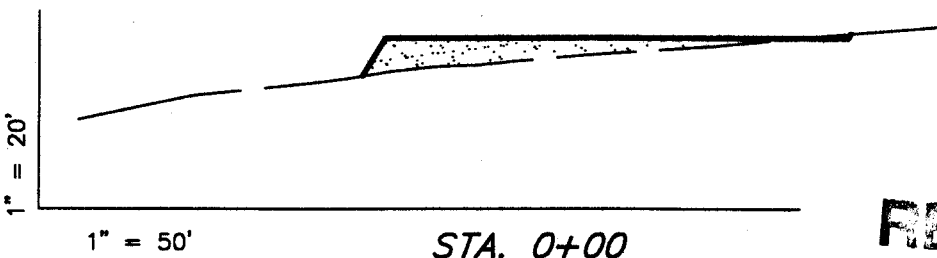
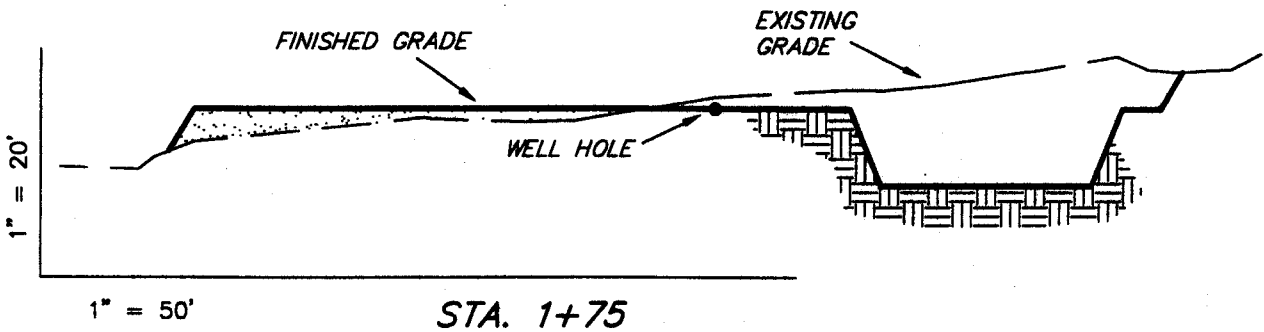
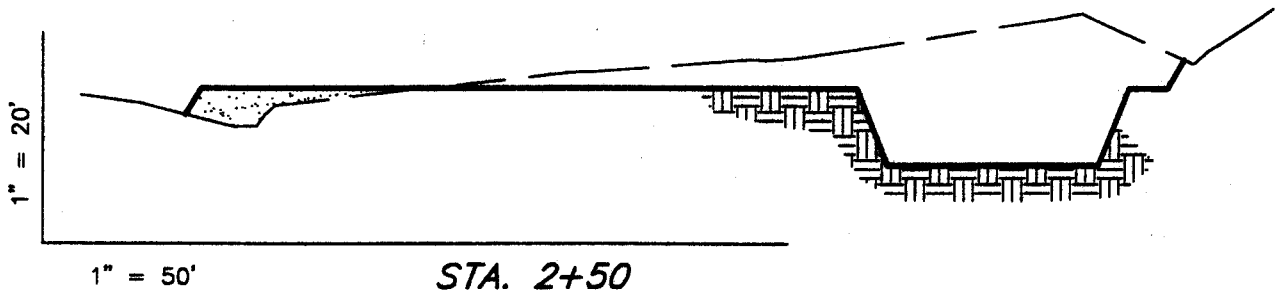
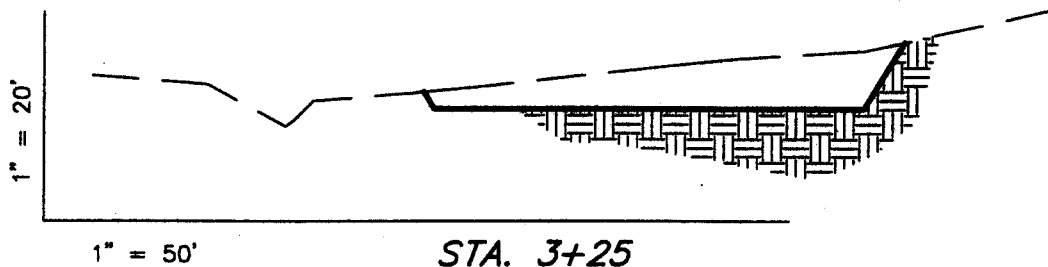
(435) 781-2501

38 WEST 100 NORTH VERNAL, UTAH 84078

SHENANDOAH ENERGY INC.

CROSS SECTIONS

RED WASH #33-29B



APPROXIMATE YARDAGES

CUT = 3,870 Cu. Yds.

FILL = 3,870 Cu. Yds.

PIT = 2,370 Cu. Yds.

6" TOPSOIL = 1,260 Cu. Yds.

Revised: 11-30-00 J.R.S. (Add Culverts, Trim Corner)

RECEIVED

DEC 04 2000

DIVISION OF
OIL, GAS AND MINING

SURVEYED BY: C.D.S.

SCALE: 1" = 50'

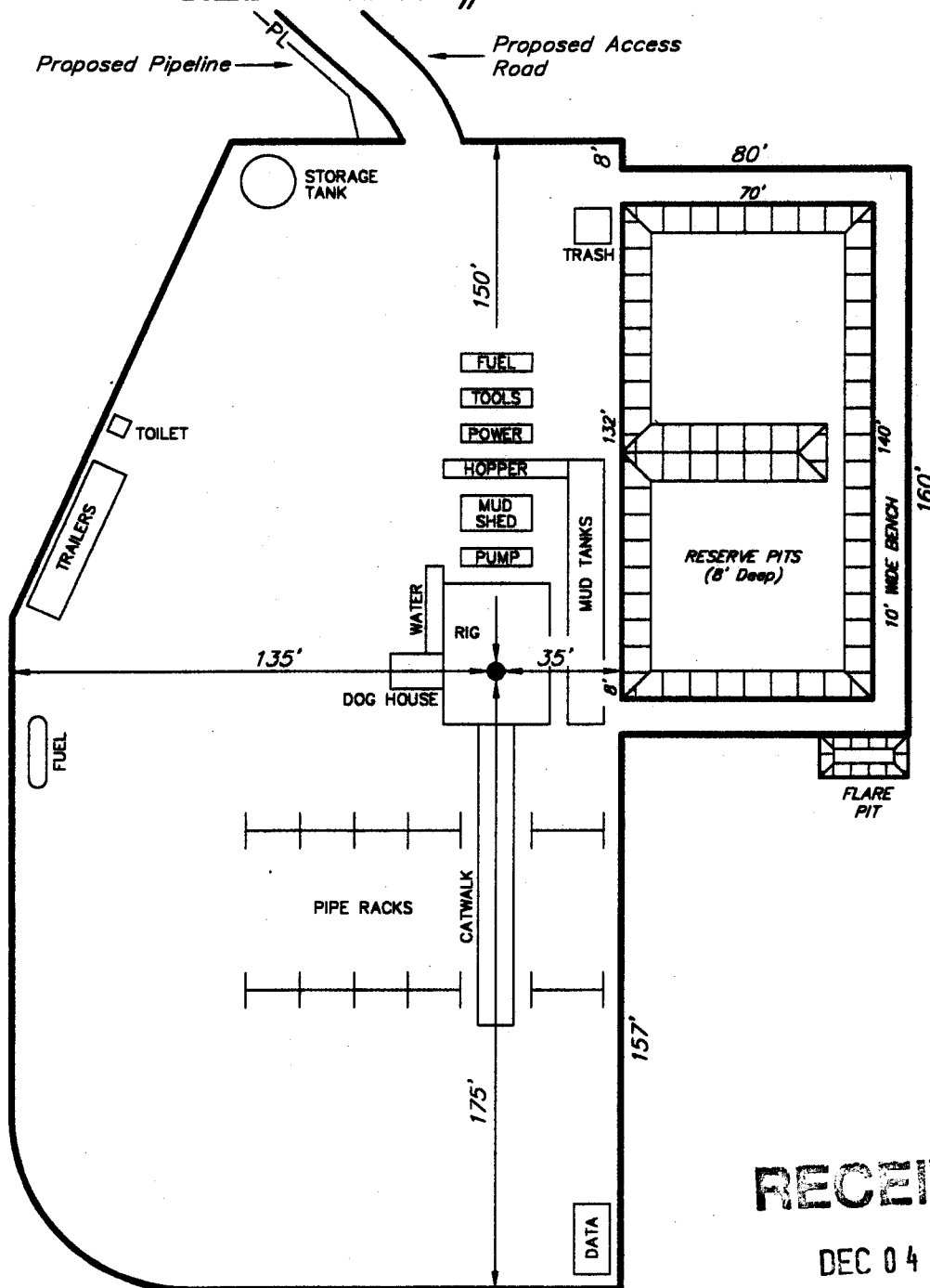
DRAWN BY: J.R.S.

DATE: 11-2-00

Tri State
Land Surveying, Inc.
(435) 781-2501
38 WEST 100 NORTH VERNAL, UTAH 84078

SHONANDOAH ENERGY, INC.

TYPICAL RIG LAYOUT RED WASH #33-29B

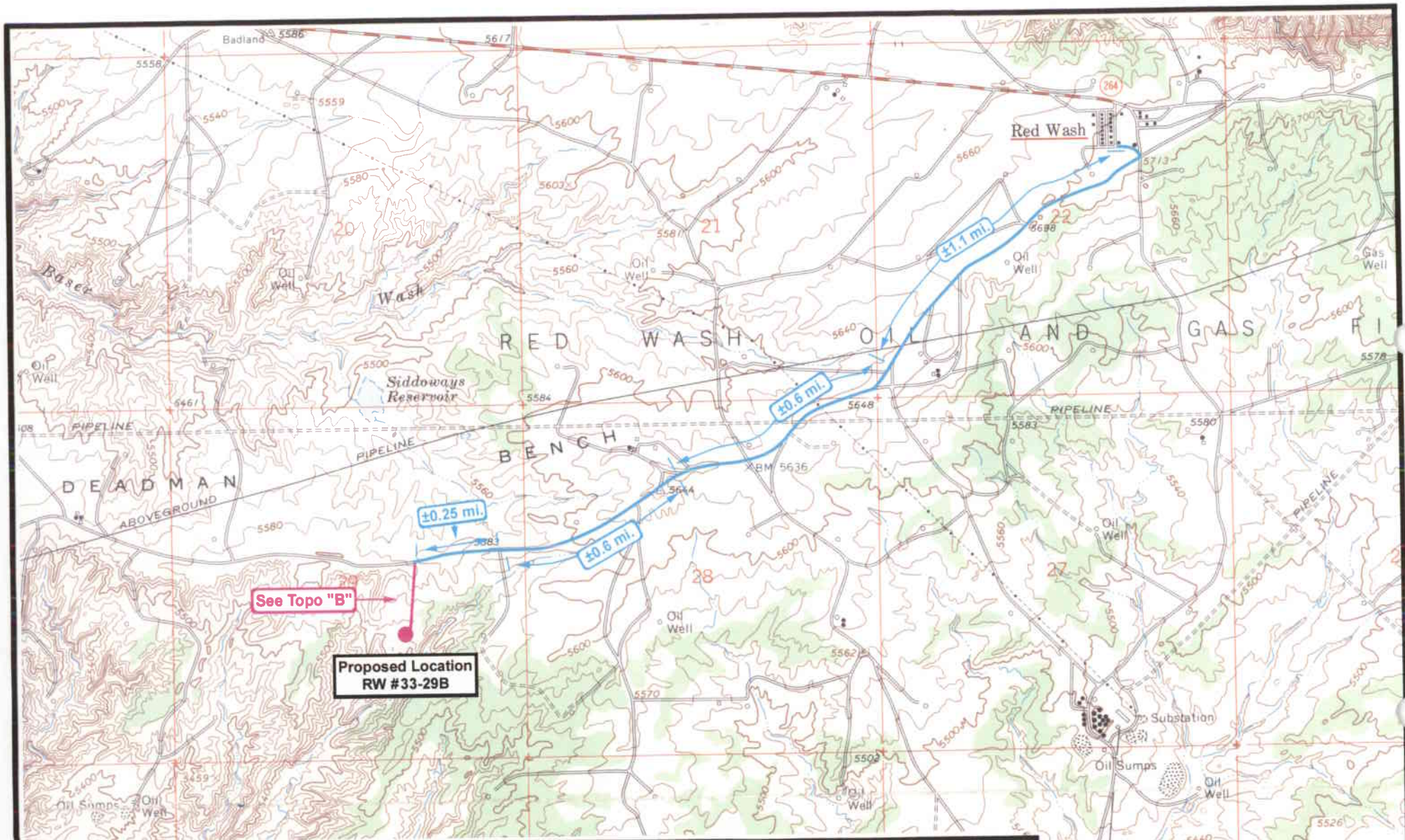


RECEIVED

DEC 04 2000

DIVISION OF
OIL, GAS AND MINING

Tri State
Land Surveying, Inc.
(435) 781-2501
38 WEST 100 NORTH, VERNAL, UTAH 84078



SHENANDOAH ENERGY INC.

RED WASH #33-29B

SEC. 29, T7S, R23E, S.L.B.&M.

TOPOGRAPHIC MAP "A"



Drawn By: bgm

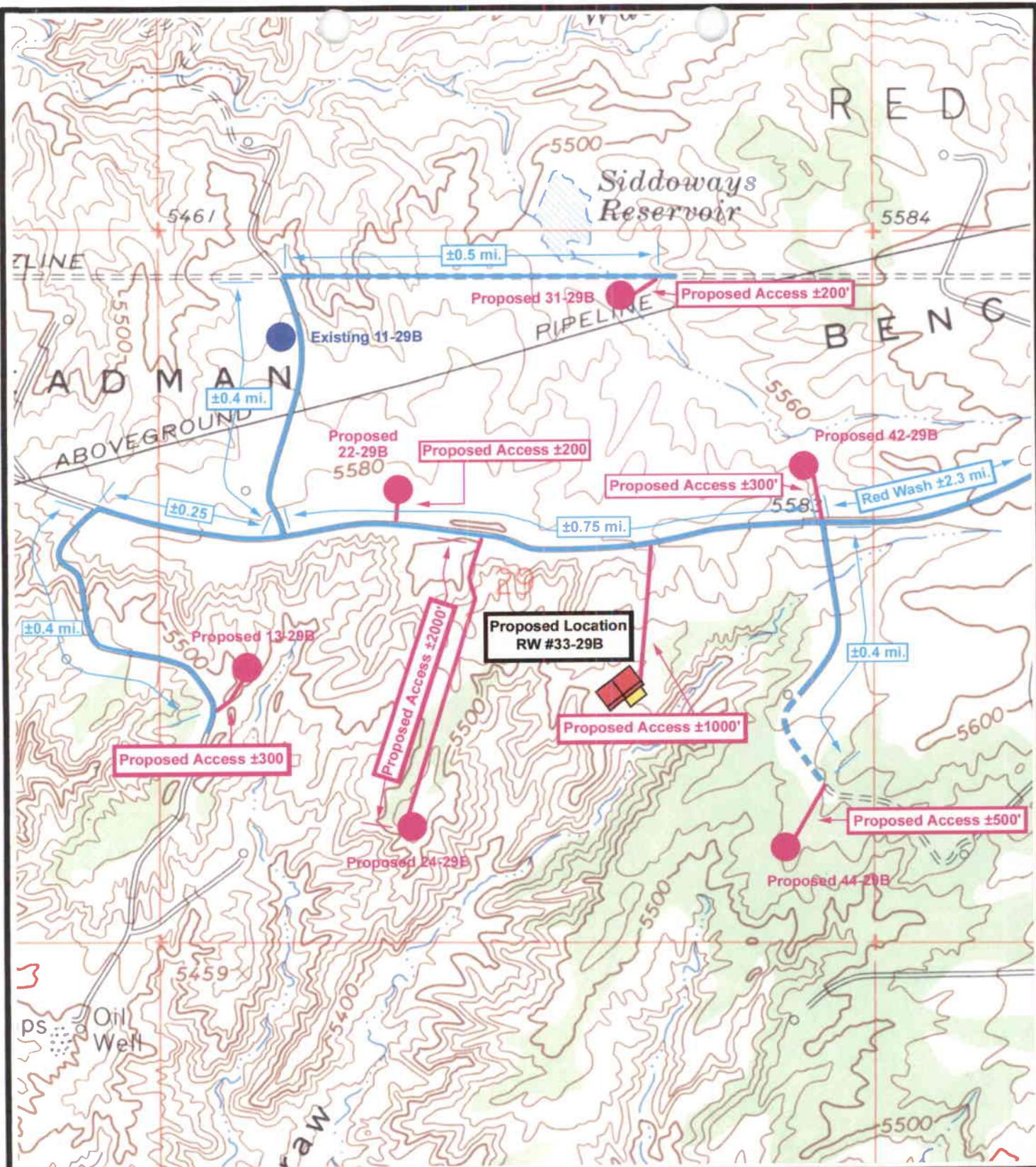
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Scale: 1" = 2000'

File:

Date: 11-06-2000

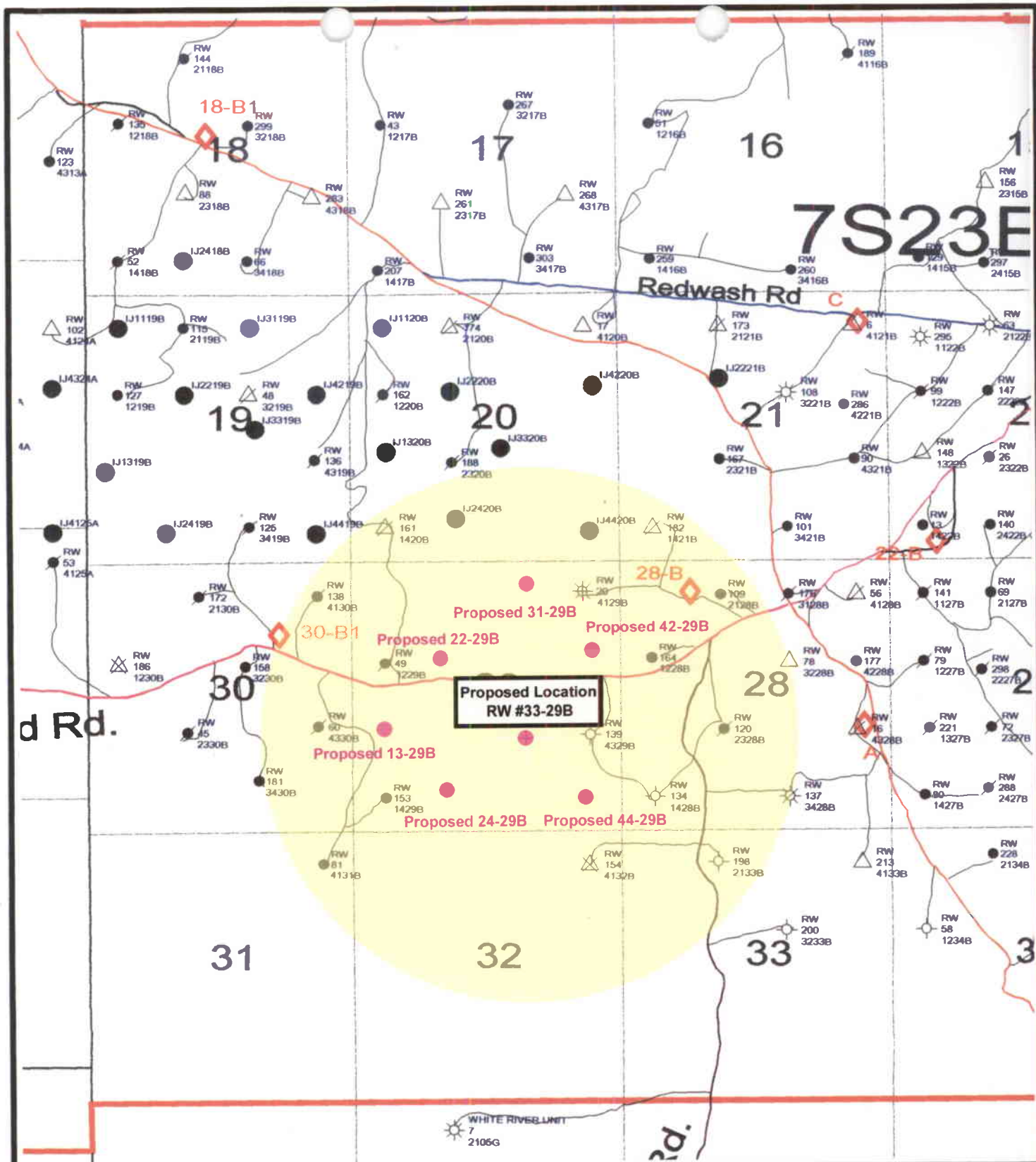
Tri-State Land Surveying Inc.
P.O. Box 533, Vernal, UT 84078
435-781-2501 Fax 435-781-2518



SHENANDOAH ENERGY INC.
RED WASH #33-29B
SEC. 29, T7S, R23E, S.L.B.&M.
TOPOGRAPHIC MAP "B"



Drawn By: bgm	Revision:
Scale: 1" = 1000'	File:
Date: 11-03-2000	
Tri-State Land Surveying Inc. P.O. Box 533, Vernal, UT 84078 435-781-2501 Fax 435-781-2518	



SHENANDOAH ENERGY INC.

RED WASH #33-29B

SEC. 29, T7S, R23E, S.L.B.&M.

TOPOGRAPHIC MAP "C"



Drawn By: bgm

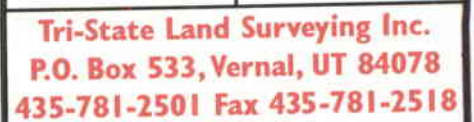
Revision:

Scale: 1" = 2000'

File:

Date: 11-06-2000

Tri-State Land Surveying Inc.
P.O. Box 533, Vernal, UT 84078
435-781-2501 Fax 435-781-2518



WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 12/04/2000

API NO. ASSIGNED: 43-047-33789

WELL NAME: RWU 33-29B

OPERATOR: SHENANDOAH ENERGY INC (N4235)

CONTACT: JOHN BUSCH

PHONE NUMBER: 435-781-4341

PROPOSED LOCATION:

NWSE 29 070S 230E

SURFACE: 1832 FSL 1840 FEL

BOTTOM: 1832 FSL 1840 FEL

UINTAH

UNDESIGNATED (2)

LEASE TYPE: 1-Federal

LEASE NUMBER: U-02025

SURFACE OWNER: 1-Federal

PROPOSED FORMATION: GRRV

INSPECT LOCATN BY: / /

Tech Review	Initials	Date
Engineering		
Geology		
Surface		

RECEIVED AND/OR REVIEWED:

☒ Plat

☒ Bond: Fed[1] Ind[] Sta[] Fee[]
(No. UT-0969)

☐ Potash (Y/N)

☐ Oil Shale (Y/N) *190-5 (B) or 190-3

☒ Water Permit
(No. 43-8496)

☐ RDCC Review (Y/N)
(Date:)

☐ Fee Surf Agreement (Y/N)

LOCATION AND SITING:

☐ R649-2-3. Unit RED WASH

☒ R649-3-2. General
Siting: 460 From Qtr/Qtr & 920' Between Wells

☐ R649-3-3. Exception

☐ Drilling Unit

Board Cause No:

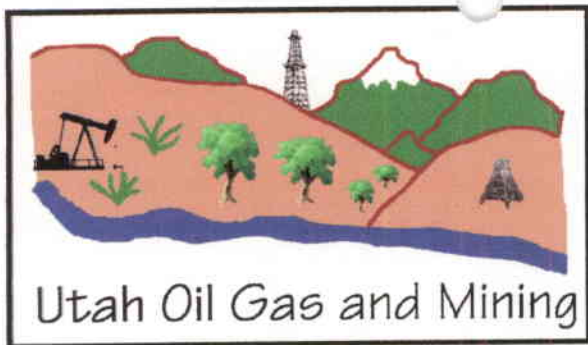
Eff Date:

Siting:

☐ R649-3-11. Directional Drill

COMMENTS: Red Wash Unit Sol, separate f.l.

STIPULATIONS: ① FEDERAL APPROVAL



OPERATOR: SHENANDOAH ENERY (N4235)

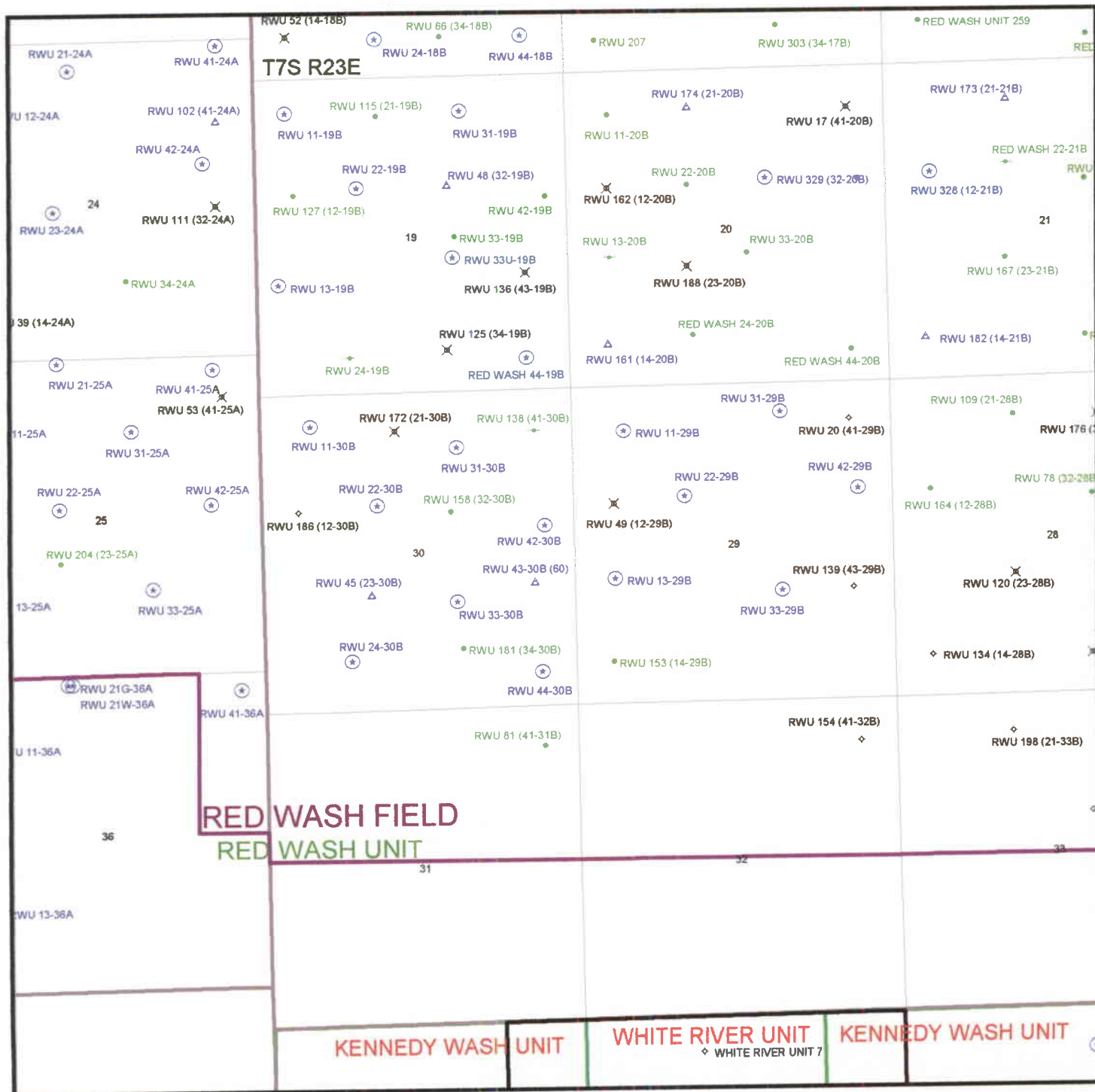
FIELD: RED WASH (665)

SEC. 29 & 30, T7S, R23E,

COUNTY: UINTAH UNIT: RED WASH



SPACING: R649-3-2 & R649-3-3



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, Utah 84145-0155

IN REPLY REFER TO:
3160
(UT-922)

December 12, 2000

Memorandum

To: Assistant District Manager Minerals, Vernal District
From: Michael Coulthard, Petroleum Engineer
Subject: 2000 Plan of Development Red Wash Unit,
Uintah County, Utah.

Pursuant to email between Lisha Cordova, Division of Oil, Gas and Mining, and Mickey Coulthard, Utah State Office, Bureau of Land Management. The following wells are planned for calendar year 2000 within the Red Wash Unit, Uintah County, Utah.

Api Number	Well	Location
(Proposed Green River Completions)		
43-047-33785	RWU 11-30B	Sec. 30, T7S, R23E 0590 FNL 0787 FWL
43-047-33786	RWU 22-25A	Sec. 25, T7S, R22E 2531 FNL 1949 FWL
43-047-33787	RWU 24-30B	Sec. 30, T7S, R23E 0795 FSL 1468 FWL
43-047-33788	RWU 31-30B	Sec. 30, T7S, R23E 0950 FNL 1943 FEL
43-047-33789	RWU 33-29B	Sec. 29, T7S, R23E 1832 FSL 1840 FEL
43-047-33790	RWU 33-30B	Sec. 30, T7S, R23E 1775 FSL 1937 FEL

This office has no objection to permitting the wells at this time.

/s/ Michael L. Coulthard

bcc: File - Red Wash Unit
Division of Oil Gas and Mining
Agr. Sec. Chron
Fluid Chron

MCoulthard:mc:12-12-0



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Kathleen Clarke
Executive Director

Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210

PO Box 145801

Salt Lake City, Utah 84114-5801

801-538-5340

801-359-3940 (Fax)

801-538-7223 (TDD)

December 13, 2000

Shenandoah Energy Inc.
11002 E 17500 S
Vernal, UT 84078

Re: Red Wash Unit 33-29B Well, 1832' FSL, 1840' FEL, NW SE, Sec. 29, T. 7 South,
R. 23 East, Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-33789.

Sincerely,

John R. Baza
Associate Director

er

Enclosures

cc: Uintah County Assessor
Bureau of Land Management, Uintah District Office

Operator: Shenandoah Energy Inc.
Well Name & Number Red Wash Unit 33-29B
API Number: 43-047-33789
Lease: U 02025

Location: NW SE **Sec.** 29 **T.** 7 South **R.** 23 East

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

- Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

- Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK

DRILL ☒DEEPEEN ☐

b. TYPE OF WELL

OIL

GAS

SINGLE

MULTIPLE

WELL ☒WELL ☐

OTHER

ZONE ☒ZONE ☐

2. NAME OF OPERATOR

Shenandoah Energy Inc.

3. ADDRESS AND TELEPHONE NO. Phone: 435-781-4341

11002 East 17500 South

Fax: 435-781-4329

Vernal, Utah 84078

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)

At surface

1840' FEL, 1831' FSL, ^{NWSE} ~~SESE~~

At proposed prod. Zone

Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

2 miles South West of Redwash Utah

15. DISTANCE FROM PROPOSED*
LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drg. Unit line if any)

1840' ±

16. NO. OF ACRES IN LEASE

1920

17. NO. OF ACRES ASSIGNED
TO THIS WELL

40

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING COMPLETED,
OR APPLIED FOR ON THIS LEASE, FT.

1000' ±

19. PROPOSED DEPTH

5741'

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, OR, etc.)

5516.9'

22. APPROX. DATE WORK WILL START*

A.S.A.P

23. PROPOSED CASING AND CEMENTING PROGRAM

REFER TO S.O.P

Shenandoah Energy Inc. proposes to drill a well to 5741' to test the Green River. If productive, casing will be run and the well completed. If dry, the well will be plugged and abandoned as per BLM and State of Utah requirements.

Operations will be according to the Standard Operating Procedures for the Redwash Unit, the Wonsits Valley and surrounding areas Green River Wells.

This well is in our desired water flood pattern and is slated to become an injection well after initial production.

The injection line will be buried 4', using 3" schedule 80, synergy coated pipe.

See Onshore Order No. 1 attached.

Please be advised that Shenandoah Energy Inc. is considered to be the operator of the above mentioned well. Shenandoah Energy Inc. agrees to be responsible under the terms and conditions of the lease for the operations conducted upon the lease lands.

Bond coverage for this well is provided by Bond No. 0969. The principal is Shenandoah Energy Inc. via surety as consent as provided for in 43 CFR 3104.2.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposed is to deepen, give data on present productive zone and proposed new productive zone. If proposed is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout prevention program if any.

24

SIGNED

John Busch

John Busch

TITLE Red Wash Operations Representative

DATE 11/30/00

(This space for Federal or State office use)

NOTICE OF APPROVAL

CONDITIONS OF APPROVAL ATTACHED

Application approval does not warrant or certify that the applicant holds legal or equitable title to these rights in the subject lease which would entitle the applicant to conduct operations thereon. CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY

Howard B. CleavageAssistant Field Manager
TITLE Mineral Resources

DATE

09/06/2001

*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

DOGM

RECEIVED

SEP 10 2001

DIVISION OF
OIL, GAS AND MINING

CONDITIONS OF APPROVAL
APPLICATION FOR PERMIT TO DRILL

Company/Operator: Sherandoah Energy Inc.

Well Name & Number: RWU #33-29B

API Number: 43-047-33789

Lease Number: U - 02025

Location: NWSE Sec. 29 T. 7S R. 23E

Agreement: RED WASH UNIT

For more specific details on notification requirements, please check the Conditions of Approval for Notice to Drill and Surface Use Program.

CONDITIONS OF APPROVAL FOR NOTICE TO DRILL

Approval of this application does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Be aware fire restrictions may be in effect when location is being constructed and/or when well is being drilled. Contact the appropriate Surface Management Agency for information.

A. **DRILLING PROGRAM**

1. **Casing Program and Auxiliary Equipment**

As a minimum, the usable water and oil shale resources shall be isolated and/or protected by having a cement top for the production casing at least 200 ft. above the shallowest potential productive zone.

SURFACE USE PROGRAM
Conditions of Approval (COAs)

Access roads and surface disturbing activities will conform to standards outlined in the Bureau of Land Management and Forest Service publication: Surface Operating Standards for Oil and Gas Exploration and Development, (1989).

The road shall be constructed/upgraded to meet the standards of the anticipated traffic flow and all-weather road requirements. Construction/upgrading shall include ditching, draining, and crowning (2 to 3%). Graveling or capping the roadbed will be required as necessary to provide a well constructed safe road. Prior to construction/upgrading, the proposed road surface or existing road shall be cleared of any snow cover and allowed to dry completely. Traveling off the 30 foot right-of-way will not be allowed. Should mud holes develop, they shall be filled in to prevent detours. Road drainage crossings shall be of the typical dry creek drainage crossing type. Crossings shall be designed so they will not cause siltation or accumulation of debris in the drainage crossing nor shall the drainage be blocked by the roadbed. Erosion of drainage ditches by runoff water shall be prevented by diverting water off at frequent intervals by means of cutouts. Upgrading shall not be allowed during muddy conditions. When snow is removed from the road during the winter months, the snow should be pushed outside of the burrow ditches and the turn outs should be kept clear so that when the snow melts the water will be channeled away from the road.

Shenandoah Energy will control noxious weeds along the right-of-way for roads, pipelines, well sites or other applicable facilities. If noxious weeds spread from disturbed areas onto adjoining lands, Shenandoah shall be responsible for control of the infestation. A list of noxious weeds may be obtained from the BLM, or the appropriate County Extension Office. On BLM administered land it is required that a Pesticide Use Proposal shall be submitted, and given approval, prior to the application of herbicides or other pesticides or possible hazardous chemicals.

If cultural resources or paleontological resources are found, the BLM Authorized Officer shall be notified. Procedures described in the Standard Operating Practices for Red Wash Unit Green River Formation Wells will be followed as such finds are evaluated.

No construction and drilling activities shall be allowed on this location during the ferruginous hawk nesting season of March 1 through July 15. The construction activities regarding conversion of this well to a water injection well are also subject to this limitation. This requirement may be waived after May 31 if a qualified wildlife biologist determines that no nesting activity on the nests within one half mile of the location is occurring by May 31. Efforts shall be made to avoid damaging the junipers adjacent the west and south sides of the location so that they, together with the topsoil storage area, can help screen the location from the known nesting areas.

-The reserve pit will lined to prevent seepage into nearby drainages.

-Corner 2 of the location shall be rounded in order to avoid the existing drainage.

-A 3 foot culvert will be installed in the access road where the road crosses the main drainage north of the location.

-The north end of the location shall be ditched to collect drainages which enter the location. A 12 inch culvert will be installed in this ditch where the access road enters the well location.

-4 to 6 inches of topsoil shall be stripped from the location and windrowed as shown on the cut sheet. This topsoil shall be seeded as described in the standard operating plan with the recommended seed mix shown below.

-The pipeline disturbance will be kept to a 30' width, however, where the pipeline follows the access road the disturbance shall be kept to 15 feet since the access road can be used as a part of the working surface. The topsoil shall be stripped and windrowed along the edge of the cleared area, then replaced prior to seeding the disturbed area. Care should be taken not to mix the topsoil with the subsoil from the trench.

-The following seed mix shall be used to seed the topsoil pile, reserve pit and for final abandonment of the location:

Fourwing saltbush	Atriplex canescens	4 lbs/acre
Black sagebrush	Artemesia arbuscula nova	2 lbs/acre
Indian Ricegrass	Oryzopsis hymenoides	3 lbs/acre
Needle and threadgrass	Stipa comata	3 lbs/acre

All poundages are in pure live seed.

The seeding of the reserve pit shall be done in the same manner as the seeding of the topsoil pile, however, seeding of the pipeline disturbance and location after final abandonment could be completed by drilling the seed, broadcasting the seed and dragging the disturbed area to cover the seed, or by broadcasting the seed then walking it in with a dozer.

All seeding shall be done immediately after the dirt work has been completed.

-Water bars shall be constructed at 30 foot intervals along the pipeline where it traverses steep slopes (wherever the grade exceeds 7%).

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well

Oil Gas
☒ Well ☐ Well ☐ Other

CONFIDENTIAL

2. Name of Operator

SHENANDOAH ENERGY INC

3. Address and Telephone No

11002 E. 17500 S. VERNAL, UT 84078-8526

(801) 781-4341

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1832' FSL, 1840' FEL NWSE T07S R23E SEC-29

5. Lease Designation and Serial No.

U-02025

6. If Indian, Allottee or Tribe Name

N/A

7. If Unit or CA, Agreement Designation

Red Wash Unit

8. Well Name and No.

RWU 33-29B

9. API Well No.

43-047-33789

10. Field and Pool, or Exploratory Area

RED WASH - GREEN RIVER

11. County or Parish, State

UINTAH, UTAH

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

☒ Notice of Intent
☐ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☒ Other APD Extension
☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

(Note) Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work)

Shenandoah Energy Inc. hereby requests an 1 year extension on the RWU 33-29B.

Approved by the
Utah Division of
Oil, Gas and Mining

COPY SENT TO OPERATOR
Date: 03-15-02
Initials: CHD

Date: 03-14-02

By: [Signature]

RECEIVED

MAR 14 2002

DIVISION OF
OIL, GAS AND MINING

14. I hereby certify that the foregoing is true and correct.

Signed JOHN BUSCH [Signature]

Title OPERATIONS REPRESENTATIVE

Date 2/28/02

(This space for Federal or State office use)

Approved by:

Title

Date

Conditions of approval, if any

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*See instruction on Reverse Side

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED
SEP 23 2002

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS IN VERNAL, UTAH

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well

Oil

Gas



Well



Well



Other

2. Name of Operator

SHENANDOAH ENERGY INC

3. Address and Telephone No

11002 E. 17500 S. VERNAL, UT 84078-8526

(801) 781-4341

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1832' FSL, 1840' FEL NWSE

5. Lease Designation and Serial No.

U-02025

6. If Indian, Allottee or Tribe Name

N/A

7. If Unit or CA, Agreement Designation

Red Wash Unit

8. Well Name and No.

RWU 33-29B

9. API Well No.

43-047-33789

10. Field and Pool, or Exploratory Area

RED WASH - GREEN RIVER

11. County or Parish, State

UINTAH, UTAH

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION



Notice of Intent



Subsequent Report



Final Abandonment Notice

TYPE OF ACTION



Abandonment



Recompletion



Plugging Back



Casing Repair



Altering Casing



Other APD Extension



Change of Plans



New Construction



Non-Routine Fracturing



Water Shut-Off



Conversion to Injection



Dispose Water

(Note) Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work)

Shenandoah Energy Inc. hereby requests an 1 year extension on the RWU 33-29B.

VERNAL DIST.

ENG. _____

GEOL. _____

E.S. _____

PET. _____

A.M. _____

SEP 23 2002

RECEIVED

OCT 23 2002

DIVISION OF
OIL, GAS AND MINING

CONDITIONS OF APPROVAL ATTACHED

14. I hereby certify that the foregoing is true and correct.

Signed JOHN BUSCH

Title OPERATIONS REPRESENTATIVE

Date Sept 19-02

(This space for Federal or State office use)

Approved by:

Kirk F. H. [Signature]

Title

Petroleum Engineer

Date

10/16/02

Conditions of approval, if any

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*See instruction on Reverse Side

WD06m

002000

022W17925

**Shenandoah Energy Inc.
APD Extension**

Well: RWU 33-29B

Location: NWSE Sec. 29, T7S, R21E

Lease: UTU 02025

CONDITIONS OF APPROVAL

An extension for the referenced APD is granted with the following conditions:

1. The extension will expire 9/6/03
2. No other extensions beyond that time frame will be granted or allowed.

If you have any other questions concerning this matter, please contact Kirk Fleetwood of this office at (435) 781-4486

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0135
Expires: November 30, 2000

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		CONFIDENTIAL	5. Lease Serial No. U-02025
2. Name of Operator SHENANDOAH ENERGY INC.			6. If Indian, Allottee or Tribe Name
3a. Address 11002 EAST 17500 SOUTH VERNAL, UT 84078		Contact: RALEEN SEARLE E-Mail: raleen.searle@questar.com	7. If Unit or CA/Agreement, Name and/or No. RED WASH UNIT
3b. Phone No. (include area code) Ph: 435.781.4309 Fx: 435.781.4329		9. API Well No. 43-047-33789	8. Well Name and No. RED WASH 33-29B
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 29 T7S R23E NWSE 1832FSL 1840FEL		10. Field and Pool, or Exploratory RED WASH	11. County or Parish, and State UINTAH COUNTY, UT

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Shenandoah Energy Inc. hereby requests an one year extension on the APD for the RW 33-29B.

**Approved by the
Utah Division of
Oil, Gas and Mining**

COPY SENT TO OPERATOR
Date: 03-31-03
Initials: CND
Date: 03-31-03
By: [Signature]

RECEIVED
MAR 27 2003
DIV OF OIL, GAS & MINING

14. I hereby certify that the foregoing is true and correct.
Electronic Submission #19950 verified by the BLM Well Information System
For SHENANDOAH ENERGY INC., will be sent to the Vernal

Name (Printed/Typed) RALEEN SEARLE	Title REGULATORY AFFAIRS ANALYST
Signature <i>Raleen Searle</i>	Date 03/25/2003

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By _____	Title _____	Date _____
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.		
Office _____		

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

**** DRAFT ** DRAFT ** DRAFT ** DRAFT ** DRAFT ** DRAFT ** DRAFT ****



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155

IN REPLY REFER TO
UT-922

June 9, 2003

QEP Uinta Basin, Inc.
1050 17th Street, Suite 500
Denver, Colorado 80265

Re: Red Wash Unit
Uintah County, Utah

Gentlemen:

On May 30, 2003, we received an indenture dated February 1, 2003, whereby Shenandoah Energy, Inc. changed its name and QEP Uinta Basin, Inc. was designated as Successor Unit Operator for the Red Wash Unit, Uintah County, Utah.

This indenture was executed by all required parties and the signatory parties have complied with Sections 5 and 6 of the unit agreement. The instrument is hereby approved effective June 9, 2003. In approving this designation, the Authorized Officer neither warrants nor certifies that the designated party has obtained all required approval that would entitle it to conduct operations under Red Wash Unit Agreement.

Your nationwide (Eastern States) oil and gas bond No. B000024 will be used to cover all operations within the Red Wash Unit.

It is requested that you notify all interested parties of the name change of unit operator. Copies of the approved instruments are being distributed to the appropriate federal offices, with one copy returned herewith.

Sincerely,

/s/ Robert A. Henricks

Robert A. Henricks
Chief, Branch of Fluid Minerals

Enclosure

bcc: Field Manager - Vernal (w/enclosure)
SITLA
Division of Oil, Gas & Mining
Minerals Adjudication Group
File – Red Wash Unit (w/enclosure)
Agr. Sec. Chron
Fluid Chron

UT922:TAThompson:tt:6/9/03

1. GLH
2. CDW
3. FILE

Designation of Agent/Operator

Merger

The operator of the well(s) listed below has changed effective:		2/1/2003
FROM: (Old Operator):		TO: (New Operator):
N4235-Shenandoah Energy Inc 11002 E 17500 S Vernal, UT 84078-8526		N2460-QEP Uinta Basin Inc 11002 E 17500 S Vernal, UT 84078-8526
Phone: (435) 781-4341		Phone: (435) 781-4341

RED WASH UNIT

WELL(S)

[illegible]

Enter date after each listed item is completed

1. (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 6/2/2003
2. (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 6/2/2003
3. The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 6/19/2003
4. Is the new operator registered in the State of Utah: YES Business Number: 5292864-0151
5. If **NO**, the operator was contacted contacted on:

6. (R649-9-2)Waste Management Plan has been received on:

IN PLACE

7. **Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: 7/21/2003

8. **Federal and Indian Units:**

The BLM or BIA has approved the successor of unit operator for wells listed on: 7/21/2003

9. **Federal and Indian Communization Agreements ("CA"):**

The BLM or BIA has approved the operator for all wells listed within a CA on: n/a

10. **Underground Injection Control ("UIC")** The Division has approved UIC Form 5, **Transfer of Authority to Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: n/a

DATA ENTRY:

1. Changes entered in the **Oil and Gas Database** on: 9/11/2003

2. Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 9/11/2003

3. Bond information entered in RBDMS on: n/a

4. Fee wells attached to bond in RBDMS on: n/a

STATE WELL(S) BOND VERIFICATION:

1. State well(s) covered by Bond Number: 965-003-032

FEDERAL WELL(S) BOND VERIFICATION:

1. Federal well(s) covered by Bond Number: ESB000024

INDIAN WELL(S) BOND VERIFICATION:

1. Indian well(s) covered by Bond Number: 799446

FEE WELL(S) BOND VERIFICATION:

1. (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond Number 965-003-033

2. The **FORMER** operator has requested a release of liability from their bond on: n/a
The Division sent response by letter on: n/a

LEASE INTEREST OWNER NOTIFICATION:

3. (R649-2-10) The **FORMER** operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: n/a

COMMENTS:

SEI (N4235) to QEP (N2460)

well_name	Sec	R	api DOGM	Entity		stat	unit_name
RWU 21W-36A	36	070S	220E	4304733730	State	GW	APD C RED WASH
RWU 21G-36A	36	070S	220E	4304733731	State	OW	APD C RED WASH
RWU 41-36A	36	070S	220E	4304733732	State	OW	APD C RED WASH
RWU 43-16B	16	070S	230E	4304733733	State	OW	APD C RED WASH
RWU 21-16B	16	070S	230E	4304733734	State	OW	APD C RED WASH
RWU 11-36A	36	070S	220E	4304733736	State	OW	APD C RED WASH
RWU 13-36A	36	070S	220E	4304733737	State	OW	APD C RED WASH
RWU 13-29B	29	070S	230E	4304733764	Federal	OW	APD C RED WASH
RWU 33-29B	29	070S	230E	4304733789	Federal	OW	APD C RED WASH
RWU 14-13A	13	070S	220E	4304733950	Federal	OW	APD C RED WASH
RWU 11W-34-7-22	34	070S	220E	4304734360	Federal	GW	APD C RED WASH



State of Utah

Department of
Natural Resources

Division of
Oil, Gas & Mining

ROBERT L. MORGAN
Executive Director

LOWELL P. BRAXTON
Division Director

MICHAEL O. LEAVITT
Governor

OLENE S. WALKER
Lieutenant Governor

January 23, 2004

Raleen Searle
QEP Uinta Basin Inc.
11002 East 17500 South
Vernal, Utah 84078

Re: APD Rescinded – Red Wash Unit 33-29B, Sec. 29, T. 7S, R. 23E
Uintah County, Utah API No. 43-047-33789


Dear Ms. Searle:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on December 13, 2000. On March 14, 2002 and on March 31, 2003, the Division granted a one-year APD extension. On January 22, 2004 you requested that the division rescind the state approved APD. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective January 22, 2004.

A new APD must be filed with this office for approval prior to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,


Diana Whitney
Engineering Technician

cc: Well File
Bureau of Land Management, Vernal